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IN THE

Supreme Court of the United States

October Term, 1976

No. 76-

76-1376

RAYMOND ROHAUER and CECIL W. HULL,

Petitioners,

v.

**KILLIAM SHOWS, INC. and EDUCATIONAL
BROADCASTING CORPORATION,**

Respondents.

**ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES
COURT OF APPEALS FOR THE SECOND CIRCUIT**

**MOTION FOR LEAVE TO FILE A BRIEF *AMICUS
CURIAE* AND BRIEF OF THE AUTHORS LEAGUE OF
AMERICA, INC. AS *AMICUS CURIAE***

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America, Inc., as Amicus Curiae*

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ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES
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MOTION FOR LEAVE TO FILE BRIEF AS AMICUS CURIAE

The Authors League of America, Inc. respectfully petitions the Court for leave to file the annexed brief *amicus curiae* in this proceeding. The Authors League is the national society of professional writers and dramatists. One of its principal purposes is to express their views in cases involving fundamental issues of copyright law. This case poses an issue of enormous importance to the spouses and children of authors who have sold motion picture rights in their plays and books. The Court of Appeals' decision, which reverses a long standing interpretation of the Re-

(ii)

newal Clause of the Copyright Act, will have a devastating effect on the surviving families of deceased authors for the next 28 years. Because of these far-reaching and serious consequences, the Authors League respectfully applies for leave to file its brief in support of the Petition. The attorneys for the Petitioners have consented to the filing of our brief.

Respectfully submitted,

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*Attorney for the Authors League
of America, Inc.*

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BRIEF OF THE AUTHORS LEAGUE OF AMERICA

Interest of the Authors League

The Authors League is the national society of professional writers and dramatists, many of whom have granted motion picture companies rights to produce films based on their books and plays. The issue presented on this Petition is one of the most important to arise under the Copyright statute. It affects a fundamental right of deceased authors' spouses and children who secure renewal copyrights in such books and plays during the next 28 years, under the 1909 or 1976 Copyright Acts. Unless reversed, the Court of

Appeals decision will deprive these renewal copyright owners of a valuable right that has been recognized as theirs under the renewal section, for more than half a century.

Importance of the Issue

(i) During the original copyright in her novel *THE SONS OF THE SHEIK*, its author granted a motion picture company various of the rights secured by that copyright—thus authorizing it to make and exhibit a film *THE SON OF THE SHEIK*, based on her book. The contract also provided for a grant to the motion picture company of the identical rights under the prospective renewal copyright in the novel. Since the author died before renewal, her daughter, petitioner Cecil W. Hull, secured the renewal copyright pursuant to Sec. 24 of the Copyright Act (17 U.S.C.), which grants the renewal copyright to a deceased author's surviving spouse and children (or executor, or next of kin) as their property, and as a new estate, unencumbered by any grants of renewal rights which the author attempted to make during the original copyright term.

(ii) Respondent Killiam Shows, owner of the film, continued to exploit these rights secured by the novel's renewal copyright by exhibiting the film during the renewal term without the consent of the renewal copyright owner of the novel or her assignee, Petitioner Rohauer. The District Court ruled that this infringed the novel's renewal copyright. The Court of Appeals reversed, holding that the purported conveyance by author Hull of the rights under the prospective renewal copyright in the novel gave Respondents the consent required to exercise "motion picture" rights under her daughter's renewal copyright by continuing to exhibit the film.

(iii) The far reaching consequences of the Court of Appeals decision, which we submit was erroneous, urgently warrant granting the Petition here, so that this Court may determine the question. The decision below reversed an interpretation of the renewal clause accepted for over fifty years by motion picture companies as well as authors, attorneys, courts, Copyright Office officials and most commentators. The decision frustrates and contradicts the fundamental purpose of the renewal clause: which is to give authors' surviving families a new opportunity to derive economic benefits from their works during the second period of copyright, by granting them a new estate which requires that those who wish to continue exploiting rights in these books or plays must obtain licenses from the renewal copyright owners. Thus, many licenses have been negotiated by motion picture companies and authors' surviving families for continued exhibition of motion pictures during the renewal copyrights of books and plays on which they were based.

The Court of Appeals decision, if not reversed, will destroy a valuable right of deceased authors' families under renewal copyrights already secured, and under renewal copyrights, they will secure over the next 28 years under Sec. 304(a) of the new Copyright Act which takes effect next January 1st. (90 Stat. 2541). All original copyrights in existence when the new law takes effect must be renewed for a second term under Sec. 304(a) which is identical with the current renewal section.

Moreover, the decision below will affect not only the rights of authors' surviving families with regard to motion pictures based on their books or plays. It also will obliterate their rights with respect to other derivative works embodying material from these books and plays: including

plays or musical comedies based on them, translations, and television programs.

Because the Court of Appeals decision has such far reaching and economically devastating consequences for widows, widowers and children of deceased authors, the Authors League respectfully urges that it be reviewed by this Court.

ARGUMENT

I.

The Court of Appeals Erroneously Interpreted Sec. 24 of the Act.

(i) Exhibition of the Motion Picture in The Novel's Renewal Term Required Consent

The Court of Appeals recognized that exhibition of the motion picture based on the novel, during the book's renewal copyright, would be infringement unless consent had been obtained. The issue, of course, was: whose consent? The owner of the original copyright, author Hull—or the owner of the renewal copyright, her daughter. Indeed, respondents unequivocally agreed below that consent was needed for their continued exploitation of rights in the novel during its renewal copyright. Respondent Killiam Shows said that its "derivative" Sec. 7 copyright in the film was "only as good as the consent on which it was based." (Brief below, p. 12)

Exhibition of the film without consent would, as the District Court noted, infringe various rights secured by the novel's renewal copyright: the rights to dramatize, to make other versions, to make copies, or to perform a transcription of the novel. (379 F. Supp. 727; citing *NIMMER ON COPYRIGHT* Sec. 118). Each is a separate right that would be infringed if exercised without the renewal copyright

owner's permission, even though the motion picture had been produced with permission. [cf. *Chappell & Co. v. Middletown Farmers Market & Auction Co.*, 334 F. 2d 303; *Irving Berlin, Inc. v. Daigle*, 31 F. 2d 382] See also: *Kalem Co. v. Harper Bros.*, 222 U.S. 56; *Harper Bros. v. Klaw*, 232 F. 609; *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127.

(ii) The Author's Consent Under the Original Copyright Does Not Permit Killiam's Continued Use of the Novel During The Renewal Copyright

Sec. 7 grants copyright in a derivative work; but it does not determine the extent of the derivative copyright owner's privilege to use rights in the copyrighted book or play from which the derivative work is adapted. Thus, as the Court of Appeals conceded, if author Hull had expressly limited her grant of motion picture rights to the original copyright term in her novel, Petitioners could not have continued to exhibit the film with the renewal copyright owner's consent. However, the Court of Appeals (and Petitioners) contend that since author Hull signed a contract providing for grants of rights under the prospective renewal copyright as well as the original copyright, her consent to exhibit the film carried over for the renewal term—depriving the renewal copyright owner of the power to determine if those rights under that copyright could be exercised, or to request compensation.

The Court of Appeals decision was erroneous. The renewal section prevented the author from giving consent for the renewal copyright period. A "copyright renewal creates a new estate . . . (which) is clear of all rights, interests and licenses granted under the original copyright. (cases cited)." *G. Ricordi & Co. v. Paramount Pictures, Inc.*, 190 F. 2d 469, 471; cert. den. 342 U.S. 848. Reaffirming that doctrine, this Court said that "no prior assignment

(by the author) could bar" a widow, widower and children who secure the renewal copyright in that author's book or play or song. *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373, 375.

As this Court explained in *Miller Music Corp.*, all the film company could acquire from author Hull during her original copyright was an "expectancy" of the consent needed to continue exhibiting a film based on the novel during the novel's renewal copyright. The film company signed the contract with author Hull subject to the risk that the right to consent to continued exhibition of the film during the novel's renewal copyright term would never vest in her, if she died before the renewal could be secured. Sec. 24 (as will Sec. 304(a)) thus imposed a condition on the contract between author Hull and the motion picture company: i.e., that her permission to use her novel in the film would be limited to the first term of copyright in her novel if she did not live to renew it. Since author Hull died and her daughter secured the copyright under Sec. 24, author Hull's attempt to give the necessary consent for the renewal term was ineffective. Respondents required the authorization of the renewal copyright owner to continue exhibiting the film based on the novel during the renewal copyright term.

(iii) The Court of Appeals Decision Frustrates the Fundamental Purpose of the Renewal Section

The fundamental purpose of the renewal section, in creating a second copyright as a new estate, was to give the surviving families of deceased authors the opportunity to derive economic benefits from continued uses of the book or play during this second term. The very point was to require a film company or other user which had acquired original and renewal rights from the author in the first

term, to negotiate a new license with the surviving spouse and children who secured the renewal copyright if it wished to continue exercising those rights for the renewal term; and to pay adequate compensation to them, commensurate with the then value of the rights. *House Judiciary Committee* (1909), *Report No. 2222*; 60th Cong., 2d Sess., pp. 14-15; *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643, 653; *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373; *DeSylva v. Ballentine*, 351 U.S. 570. As was stated by a leading copyright spokesman for the motion picture industry, Seymour Bricker:

"Authors frequently assign their copyrights for sums which have no relation to the true monetary value of the work if it should prove successful. The renewal term of copyright is the law's second chance to the author and his family to profit from his mental labors. (cases cited)" *RENEWAL AND EXTENSION OF COPYRIGHT*, 29 *Southern California Law Review* 23, 27. (1955).

The payment of compensation to the surviving spouse and children of an author for permission to continue exhibiting a film based on his book or play during their renewal copyright in that work was precisely what Congress intended when it provided that the widow, widower and children would acquire the renewal copyright as a separate estate which could not be encumbered by grants of prospective renewal rights by the author during the first term.

The Court of Appeals suggested that author Hull could have protected her family's renewal copyright interest by limiting her grant to the original copyright. But this unrealistic comment ignores the fact that the individual author of a book or play does not have sufficient bargaining power, vis-a-vis a motion picture company or publisher,

to reserve his or her renewal rights. Authors of books and plays bargain individually with motion picture companies for licenses of rights in their books and plays. They are not represented by any union or association. (The Authors League does not, for example, represent its members in these transactions.) Because of their superior bargaining power, motion picture companies and publishers have—with rare exceptions—compelled authors to tie-in a grant of renewal rights with the conveyance of rights to use a book or play in its original copyright term. (cf. 1965 Report of the Register of Copyrights on the 1965 Copyright Revision Bill; 89th Cong., 1st Sess., p. 71) Until now, the renewal clause had been interpreted as protecting the author's surviving family against this unfair bargain.

II.

The Interpretation of Sec. 24 by the Motion Picture Industry and Copyright Experts.

The motion picture industry has long accepted the interpretation, rejected by the Court of Appeals, that under Sec. 24 exhibition of a film based on a book or play could not be continued during the renewal copyright of the underlying work without permission of the author's surviving family if they had secured the renewal copyright under Sec. 24—even though the author had signed a contract during the first term granting renewal rights along with the original rights.

(i) As United Artists Corporation, a major producer, confirmed in its *amicus curiae* brief in the Court of Appeals, it "expends large sums every year in paying for the right to continue exhibition of these motion pictures free of the uncertainty of any claim, whether or not legally cognizable,

which might be made where the motion pictures are based on underlying works in their renewal term." (p.3) Obviously other motion picture companies also pay large sums every year to surviving families of deceased authors of books and plays for the right to continue exhibiting films based on these underlying works during the renewal copyright terms secured by these families. Moreover, it is important to realize that United Artists is speaking of a provision that has been in the Copyright Act for more than half a century, not some recently added section.

(ii) It is significant that during that half century, neither United Artists nor any other motion picture company has ever sought, by an action for declaratory judgment, to obtain a judicial determination that the renewal clause should be interpreted as the Court of Appeals decided here. In some instances, as the United Artists brief indicated, a company did not choose to pay the license fee requested by the surviving family/renewal copyright owner and withdrew its motion picture. Any of these instances would have provided the "test" declaratory judgment action. The reason why motion picture companies never challenged the prevailing interpretation of the renewal clause applied by the District Court here was that their attorneys believed that interpretation was correct—that the permission of the renewal copyright owner was required. This opinion must have been carefully considered, in view of the amounts paid and the willingness of motion picture companies to fight in the courts for their rights under the Copyright Act.

(iii) One of the most frequently cited articles on the renewal provisions of Sec. 24 is RENEWAL AND EXTENSION OF COPYRIGHT, 29 Southern California Law Review (1955), by Seymour M. Bricker. As the present Register of Copyrights, Barbara Ringer, has stated, Mr. Bricker is "a leading expert on the renewal section . . ." (RENEWAL OF

COPYRIGHT, by Barbara Ringer; Study No. 31; Judiciary Committee, United States Senate; 86th Congress, 2d Sess.)

Moreover, at the time he wrote the article, Mr. Bricker was "Studio Attorney, Universal Pictures Company, Inc." And he was "aid(ed) in the preparation of this article (by) Joseph S. Dubin, Chief Studio Counsel, Universal Pictures Company, Inc." (op. cit., p. 23). In his article Mr. Bricker stresses that the renewal copyright is a "new estate, clear of all rights, interests or licenses granted under the original copyright (cases cited)." (pp. 27-28). He then succinctly states the opinion shared by other motion picture company attorneys:

"If a motion picture company buys from an author all rights in a novel, it may validly copyright the motion picture photoplay in its own name and renew that copyright at the appropriate time. But if the author dies prior to the time for renewal of the basic work, the widow* may renew this copyright and thus deprive the company of any right to continue to release the photoplay during the renewal term of the basic work." (p. 43)

This view of a leading copyright spokesman of the motion picture industry coincided with the interpretation by the present Register of Copyrights in her 1960 Study of the renewal clause for the Senate Judiciary Committee (No. 31 at pp. 170-171). Mr. Bricker's interpretation of Sec. 24 also coincides with the analysis of Professor Melville B. Nimmer, the country's most eminent authority on copyright. The Court of Appeals opinion states that "the only portion of Nimmer's text (NIMMER ON COPYRIGHT) which deals specifically with this problem in Sec. 118 . . ." However,

* Anticipating this Court's decision in *DeSylva v. Ballentine*, Mr. Bricker correctly believed that "the widow and children constitute one class" for renewal purposes. (p. 28)

Professor Nimmer also discusses and rejects the "New Property Right" Theory adopted here by the Court's decision. (op. cit., Sec. 45.1).

III.

The New Copyright Act Does Not Justify the Court of Appeals Decision.

The Court of Appeals suggested that its opinion is justified by the new "termination" provisions of Secs. 203 and 304(c) of the recently enacted 1976 Copyright Act (90 Stat. 2541). We respectfully submit the Court erred. Examination of these sections indicates that Congress had *legislated* a new single term of copyright for works created after December 31, 1977 (or which were protected by common law on that date). It did not change the present two-term renewal system for existing copyrights; and it carried the present renewal section into the new statute for those copyrights, intact except for an increase in the duration of the second term. (Sec. 304(a)).

The new statute does not change the effect of the renewal section in the present law (Sec. 24) or in the new law (Sec. 304(a)) (Register of Copyright's Report on the 1965 Bill, pp. 93-96). The provision of Sec. 203 permitting authors to terminate any transfers after 35 years does not apply to contracts made before January 1, 1978. The provision of Sec. 304(c) permitting the termination of transfers of renewal rights made before January 1, 1978 can only be exercised after the 28th year of the renewal term, 56 years after copyright was secured, to enable authors to recapture renewal rights for the additional 19 years added by the new law to the existing renewal period. (Report of the House Judiciary Committee, No. 94-1476; 94th

Cong., 2d Sess.; p. 140) This termination clause does not substitute for, or replace the consequences of securing, a renewal copyright by a deceased author's family. The House Report stresses that "the bill preserves the language of the present renewal section without any change in substance . . ." (op. cit., p. 139).

The "termination" provisions of Sections 203 and 304(c), which do not apply here, are fundamental changes in the Copyright Act that could only be accomplished by legislation and not by judicial interpretation of the present law—which does apply here. And the clause in each of these new sections which will permit continued exhibition of a derivative work made under the grant terminated pursuant to these sections, is also a new *statutory* condition that could only be imposed by legislation and not judicial interpretation. These clauses do not apply here.

Significantly, the new provision allowing continued exhibition of a derivative work after reversion was not added to the present renewal clause, which does apply here; and was not added to its identical counterpart in the new law—Sec. 304(a).

As the Register's 1965 Report states, he originally had proposed that authors and their heirs be permitted to terminate, after 20 years, assignments which did not provide for continuing royalties; with no provision for continued use of derivative works. Authors supported the 20 year cut-off, but opposed the "continuing royalty" exception; motion picture companies and publishers opposed *any* termination clause. The new termination provisions, as the Register notes, are a compromise legislative solution (1965 Report, pp. 71-72). Under the compromise, the 20 year period was increased to 35 years, and a new condition was added permitting continued use of derivative works. This

new condition, added to a new "termination" clause as a legislative compromise, obviously is *not* a reiteration of the present law. And it is the present law, Sec. 24, which governs this dispute.

CONCLUSION

It is respectfully submitted that the Petition for a Writ of Certiorari should be granted.

Respectfully submitted,

IRWIN KARP

*Attorney for The Authors League
of America, Inc., as amicus curiae*

Certification of Service

IRWIN KARP, attorney for The Authors League of America, Inc. and a member of the Bar of the United States Supreme Court, hereby certifies that on April 7, 1977, he served the annexed Motion of The Authors League of America, Inc. for leave to file a brief *amicus curiae* and the annexed brief of The Authors League of America, Inc. as *amicus curiae*, on the attorneys for the parties hereto by mailing copies thereof, postage prepaid, to the attorneys for the parties at the following addresses:

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